



Planning and Preparing for Year-End

2007-2008

Check List for a Successful Year-End

Year-end tasks to be completed prior to June 30, 2008:

- ✓ Update Year-End Work Plan
- ✓ Keep Reconciliations Current
- ✓ Review Reverting Documents
- ✓ Prepare for the CFY022 and CFY023 Processes
- ✓ Review Outstanding Documents
- ✓ Review Other Areas
- ✓ Establish New Year Tables
- ✓ Plan for Non-CALSTARS Activities
- ✓ Register for CALSTARS Year-End Training

Refer to the CALSTARS Procedures Manual (CPM), Volume 7, Chapter I for detailed information.

Year-End Financial Reporting Deadlines

Departments must submit the appropriate 2007-08 year-end reports to the State Controller's Office and State Treasurer's Office according to the following schedule:

July 31, 2008

- General Fund
- Feeder funds (0081, 0084, 0085, 0086, 0089 through 0091, 0094, and 0097)
- Economic uncertainty funds (0374, 0375, and 0377), and Budget Stabilization Account (1011).

August 20, 2008

- All other funds

Update the Year-End Work Plan

The year-end work plan must be updated to meet the required year-end due dates:

- Review and add comments/notes from the previous year-end work plan.
- Assign due dates and activities to responsible staff/units.
- Share the year-end work plan with staff (meetings, etc.).
- Send out memos (vendor invoices, billing data, travel expense claims, etc.) to divisions to notify them of cutoff dates. Refer to the CPM, Volume 7, Chapter I, Exhibit I-3 for sample memos.
- Follow-up to ensure activities are completed and cutoff dates are being met. Refer to the CPM, Volume 7, Chapter I, Exhibit I-2, Example of Year-end Work Plan.

Keep Reconciliations Current

Timely reconciliations are important to the beginning of the year-end process. If the following reconciliations are not current, year-end financial statements cannot be completed.

- Appropriations - SCO/CALSTARS
- Bank
- ORF
- Fixed Assets

CALSTARS reconciling items must be cleared. If you have SCO reconciling items, submit a transaction request to SCO before the cut off date.

Any outstanding SCO transaction requests should be labeled "2nd request" and resubmitted.

Review Reverting Documents

The following funding fiscal years will revert on June 30, 2008:

- 2005-06 Regular appropriations
- 2003-04 Federal Trust Fund and most Capital Outlay appropriations
- 2006-07 Revenue accounts

Reverting appropriations can be identified on the SCO Agency Reconciliation Report with reversion dates of June 30, 2008 or earlier.

Appropriations reverting on or before June 30, 2008 cannot have outstanding payable, receivable or encumbrance documents. This also applies to prior year revenue accounts.

Review documents for reverting appropriations:

- Any outstanding documents must be cleared.
- Receivables documents must be deferred.
- Payable and encumbrance documents must be liquidated.
- The CY022 and CY023 automated processes will generate transactions to defer receivables and liquidate encumbrance documents for reverting appropriations.

Prepare for the CY022 and CY023 Processes

Identify any reverting appropriations and change the Appropriation Symbol (AS) Table coding as follows:

- Set the AS Reversion Indicator to **1** and the Reversion Date to **June 30, 2008 or earlier**.
- Table maintenance should be completed by the end of March. If AS Tables are not changed prior to the Transaction Run for the CFY022 and CFY023 processes, transactions must be posted manually.

CFY022 - Document File Reclassification/Liquidation Process

- Reclassifies reverting A/R Abatements and A/R Reimbursements to GL 1319-A/R Other.
- Automates the adjusting A-4 entry.
- Liquidates reverting encumbrances.

April 8, 2008 - 1st Reports Only Run

- CFY022-1 exception report lists documents requiring agency action.
- CFY022-2 report lists all documents to be reclassified or liquidated.
- Review the reports generated from the 1st reports only run.
- Make corrections before the 2nd reports only run.

Refer to the CPM, Volume 7, Chapter I, Exhibits I-5 through I-7 for examples of CFY022 Reports.

April 18, 2008 – 2nd Reports Only Run

- Review the reports generated from the 2nd reports only run.
- Make corrections before the Transaction Run, when transactions are generated.

May 1, 2008 – Transaction Run

- Generates transactions to liquidate encumbrances and reclassifies A/R Abatements and A/R Reimbursements.
- Assigns batch type YQ - posts to April activity (FM 10).
- Displays Error Code EF3 - FUND NOT IN D22 for documents in the Clearing Account. The department must correct the error by entering the ultimate Fund and Fund Source.

Posting Cash Receipts after CFY022

- **Before** June 30 – Post TC 104 for Abatements or TC 102 for Reimbursements **and** TC 469 to liquidate A/R Other - GL 1319.
- **After** June 30 - Post TC 107 for Refunds to Reverted Appropriations **and** TC 469 to liquidate A/R Other - GL 1319.

CFY023 Revenue Reversal/Reclassification Process

- Reclassifies A/R Revenue documents in reverting appropriations to GL 1319 A/R-Other.
- Automates the reverting appropriation portion of the adjusting A-9 entry.

May 22, 2008 – 1st Reports Only Run

- CFY023-1 exception report lists all documents requiring agency action.
- CFY023-2 report lists all documents to be reversed and reclassified.
- Review the reports generated from the 1st report only run.
- Make corrections before the 2nd reports only run.

Refer to the CPM, Volume 7, Chapter I, Exhibits I-9 through I-11 for examples of CFY023 Reports.

June 13, 2008 – 2nd Reports Only Run

- Review the reports generated from the 2nd reports only run.
- Make corrections before the Transaction Run, when transactions are generated.

June 30, 2008 – Transaction Run

- Generates transactions to reclassify A/R revenues.
- Assigns batch type YP - posts to June activity (FM 12).

Posting Cash Receipts after CFY023

- **After** June 30 - Post TC 101 for Unbilled Revenue with a prior fiscal year **and** TC 469 to liquidate GL 1319-A/R Other.

Review Outstanding Documents

All outstanding documents must be compared with CALSTARS document reports to verify accuracy. Any discrepancies and abnormal balances must be researched and corrected.

Receivables - GLs 1311-1500

- Compare open invoice file to the D06 or D16 reports.
- Verify "Due from Other..." documents are recorded in correct GLs 1400 and 1500.
- Review the D11 report for documents with abnormal balances.

Encumbrances - GL 6150

- Compare open encumbrance file to the D16 report.

Prior Year Accruals

- Ensure that all outstanding payable accruals from the prior year are liquidated.
- Review the D16 report and liquidate if necessary.

Refer to the CPM, Volume 7, Chapter I, Exhibit I-12 for proper transaction codes.

Claims Filed - GL 3020

- Verify that all unpaid claim schedules are accurately reflected in the D05 report.
- Research any outstanding claims filed document with a create date more than 30 days old.

Claims in Process - GL 3021

- Verify the month-end G01 report has a zero balance for GL 3021.
- If the G01 report lists a balance for Claims in Process, research monthly H04 reports.

Office Revolving Fund Advances - GLs 1710, 1712 and 1714

- Verify that all outstanding ORF advances (expense, travel, salary) are accurately reflected in the D02 and D08 reports.

Subsidiary Codes

- Review D32 Descriptor Tables for correct setup convention and that UCM fund and GL codes are used.
- Review the S01 report to ensure there are no abnormal balances and no balances remain in GL 1600 Subsidiary.
- Reconcile subsidiary balances on D09 or D10 report to the S01 and G02 Subsidiaries on File Report.

Review Other Areas

Uncleared Collections - GL 3730

- Review Uncleared Collections to determine if outstanding amounts are identifiable.

Advance Collections - GL 3400

- Review Advance Collections to determine if there are amounts that should be recognized as earned Revenue and/or Reimbursements in the current fiscal year.

Payroll Clearing Account - GL 6201

- Verify the month-end G01 report has a zero balance for GL 6201.

Plan of Financial Adjustment (PFA) - GL 6297

- For each fund, verify that all PFA pending amounts on the SCO reconciliations agree to the GL 6297 balance on the G01 Report.
- Verify that GL 6297 nets to zero in all funds by fiscal year.
- Differences must be identified and included in May PFA transfer request, if possible.
- Analyze GL 6297 to ensure that any pending PFAs for reverting appropriations are submitted to the SCO before the cutoff date.

Fixed Assets Fund 0997

- Property registers should be reconciled quarterly to Fund 0997 on the G01 or G05 reports and Fund Detail should be used to identify the fund that financed each fixed asset.

Pro Rata and SWCAP Charges

- Verify that all Pro Rata and SWCAP charges have been correctly charged to the proper Object Detail and Fund as follows:
Object Detail 438 – Pro Rata (Special Funds only, not Funds 0890 or 0001)
Object Detail 439 – SWCAP (Federal Trust Fund 0890 only)

Establish New Year Tables

The following questions should be addressed before establishing CALSTARS table structures for the new fiscal year:

- Are the CALSTARS reports meeting management's needs?
- Are there changes to the organizational structure?
- Are the agency object codes meeting the department's needs?
- Do the appropriation symbols agree with the SCO account structure?
- Are there changes to the program structure?
- Does the Cost Allocation Table reflect the Cost Allocation Plan?
- Is the method of Labor Distribution appropriate?

Begin generating and reviewing tables in early March, and review all new tables by June 1 or earlier.

Establish the new-year tables in the following order prior to July 1, 2008:

- Organization Control (OC) Table

Establish the OC table first and prior to June 30, 2008, as follows:

View the FFY 2007 OC table

Enter Function **A**

Change FFY to **2008**

Run YEC indicator must be **Blank**

Last Step Run must be **00**

Prior Year Open must be **Y**

CY BR #1 must be **N**

Verify that the number of step downs on the FFY 2008 table equals the maximum number of step downs for any available year.

Press **Enter**

- Appropriation Symbol (AS) Table - Refer to **Generate** instructions below.
- Index Code (IC) Table - Refer to **Generate** instructions below.
- Program Cost Account (PCA) Table - Refer to **Generate** instructions below.
- Cost Allocation (CA) Table - Refer to **Generate** instructions below.

- Labor Distribution Control (LC) Table

View the FFY 2007 LC Table

Enter Function **A**

Change FFY to **2008**

Press **Enter**

The LC and EM Tables can be established/generated on the same day.

- Employee Master (EM) Table - Refer to **Generate** instructions below.

The LC and EM Tables can be established/generated on the same day.

- DGS Services Table - Refer to **Generate** instructions below.

- DGS Invoice Allocation Table - Refer to **Generate** instructions below.

Generate 2008 Tables

From the Command I.80 – FFY Maintenance Screen, perform the following:

- Enter **G** in the F Action Column to the left of the applicable table
- Enter **2007** in the FFY field on the same row
- Press **Enter**

All generated tables should be reviewed. Changes or deletions should be made immediately.

Table Maintenance Review

Review the following tables to prepare for the New Year:

Appropriation Symbol (AS) Table

- Dates - Should tie to the SCO Agency Reconciliation Report.
- Chapter - The chapter number will automatically change on AS records displaying BA 2008 when the Budget Act is signed and chaptered.
- Continuing Appropriations - Review the FFY, EY, chapter and dates on the generated AS tables for continuing appropriations. Refer to the CPM, Volume 7, Chapter I, Exhibit I-13 Continuing Appropriations.
- Encumbrances are automatically moved to the new FFY during the Year-End Close (YEC) process if AS Reversion Indicator is **2** or **9**.
- SCO "Category" Appropriations - Review AS tables generated for SCO "Category" Appropriations (SCO Categories 11, 12, 13, etc.). Ensure that the FFY, EY, chapter and dates match to SCO accounts.

Budget Sequence (BS) Table Maintenance

- Establish a BS table for each unique Budget Act item before posting any budget transactions if the OC Table Budget CY-SCH10 indicator is **Y**. Do not establish BS tables if the OC Table Budget CY-SCH10 indicator is **N**.

Project Control (PC) Table Maintenance

- Not controlled by FFY
- Does not need to be added or generated
- Establish appropriate Work Phases for capturing New Year project activity.
- Agencies with federal funds activity must establish project FEDFPN/99.

Vendor Edit (VE) Table Maintenance

- Review special purpose vendor numbers (AAAAAAAAAA-10, 20, 90) used for certification statements on year-end reports and mailing labels for correct names and addresses.

Global Delete Function

From the Command I.80 – FFY Maintenance Screen, perform the following:

- Enter Function **X** in the F Action Column to the left of the applicable table
- Enter the **FFY** to be deleted on the same row
- Press **Enter**

Do not delete table records that are needed to liquidate documents. In addition, note that current year, prior year or prior-prior year tables cannot be deleted.

Plan for Non-CALSTARS Activities

- Inform staff of changes in policies and procedures
- Schedule and/or cancel vacations
- Arrange for overtime
- Review year-end reporting requirements
- Review budget needs
- Order supply of required forms and paper

Register for CALSTARS Year-End Training

- Review the [Year-End Training COM](#) issued early April for the schedule of CALSTARS year-end classes and registration instructions.
- To assist with planning and scheduling year-end classes, review the [year-end training calendar](#) available in early April.
- Register for classes by submitting a [CALSTARS Training Registration form](#) (CALSTARS 102).

For Assistance

For additional information or assistance on planning and preparing for year-end, e-mail Hotline@dof.ca.gov or call (916) 327-0100.

Plan and prepare early for a successful year-end!